

# Industrial Tax Exemption Program City of New Orleans



## Office of Economic Development

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<http://www.nola.gov/economic-development/>

# Industrial Tax Exemption Program

## General Information

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers a tax incentive for manufacturers within the state on new qualifying investments including improvements to the land, buildings, machinery, equipment, and any other property that is integral to the manufacturing process. With local approval, the program provides for an 80% property tax abatement for up to ten years (in the form of two five-year terms) on a manufacturer’s qualifying capital investment related to the manufacturing process.

## Local Involvement

The Orleans Parish Industrial Tax Exemption Program (ITEP) Committee, the local recommending body, shall guide the evaluation of industrial tax exemption requests in order to achieve clarity and predictability for the business community at large and local taxing bodies around the terms and conditions by which tax abatements will be considered.

## Application Process

To apply with the Louisiana Board of Commerce and Industry and the City of New Orleans for an ITEP exemption see steps below.

	Step	Responsible Entity	Timeline
1.	Submit to the Office of Economic Development (OED) a “Notice of Intent” to certify that the applicant is fully aware of all local council criteria.	Applicant	Prior to Project Commencement
2.	Submit an Advance Note to the Louisiana Board of Commerce and Industry (BC&I).	Applicant	Prior to Project Commencement
3.	Submit an application to the BC&I.	Applicant	no later than 90 days after your project completion date
4.	The BC&I reviews the application and, if approved, sends a copy of approval to the City of New Orleans (CNO), the Orleans Parish School Board (OPSB), and the Orleans Parish Sheriff’s Office.	Board of Commerce and Industry	Within 3 business days, each local governing authority is advised of board approval by LED
5.	Upon receipt of the application, OED reviews the applicant’s information from BC&I along with the following requested CNO criteria for ITEP approval/denial.	OED/CNO	Within 2 weeks of BC&I approval notification
	a. For the council’s first criterion, OED will verify whether or not the project is located within a distressed region (i.e.: EZ or OZ)	Applicant/CNO	

	<b>Step</b>	<b>Responsible Entity</b>	<b>Timeline</b>
	b. For the council second criterion, OED will request completion of the following three (3) job and payroll forms as defined by the Quality Jobs Rebate program: QJ Annual Certification Report (ACR), QJ -ACR-Healthcare Certification, and QJ Employee Baseline List forms	Applicant/CNO	Within 2 weeks of BC&I approval notification
	c. For the council's third criterion, OED will request completion of the following three (3) local worker participation forms: Hire NOLA & Living Wage bidder attestation and good faith efforts form, Local-Hire Plan, and Manpower Utilization Schedule.	Applicant/CNO	
	d. For the council's fourth criterion, OED will verify whether or not the applicant obtained CNO approval prior to project commencement	Applicant/CNO	
	e. In addition to the four council criteria, OED will request a detailed project description, pro forma, cost benefit analysis data, property tax information, detailed investment information, and a depreciation schedule.	Applicant/CNO	
6.	OED compiles a report and convenes a meeting of the CNO ITEP Committee with representatives from CAO, OED, OSD, Treasury, and OWD.	OCED/CNO	Within 30 days of BC&I approval notification
7.	The CNO ITEP Committee meets to review the application and provide a recommendation. OED reports recommendation to all respective decision-making bodies.	OCED/ Representatives from CNO, OPSB, Sheriff's Office	
8.	The Sherriff's Office sends a letter to the BC&I with approval or denial based on the ITEP Committee recommendation	Sheriff's Office	
9.	The project must be added to the agenda of the next regular City Council meeting as a resolution for approval or denial. BC&I is notified. City Council reviews committee recommendation in the subsequent Board meeting and the application is then approved or denied via a resolution (Exhibit B). Notice of issuance given to LED and applicant within 3 business days.	City Council/CNO	Within 60 days of BC&I approval notification
10.	The project must be added to the agenda of the next regular OPSB meeting as a resolution for approval or denial. BC&I is notified. OPSB reviews committee recommendation in the subsequent Board meeting and the application is then approved or denied via a resolution (Exhibit B). Notice of issuance given to LED and applicant within 3 business days.	OPSB	
11.	If approved, file Project Completion Report.	Applicant	Within 90 days after beginning operations, completion of construction or receipt of fully executed contract, whichever occurs last.

Step		Responsible Entity	Timeline
12.	File Affidavit of Final Cost.	Applicant	Within 6 mos. of the beginning of operations, completion of construction or within 90 days of the receipt of the executed contract, whichever occurs last
13.	Submit Annual Report.	Applicant	By May 1 of the year following BC&I action
14.	File Contract Renewal Request to the BC&I.	Applicant	No more than 6 months before and not later than the expiration of the initial 5-year contract
15.	At the time of renewal, the BC&I will look at the company's compliance and performance during the initial term. If there is any underperformance, the BC&I may apply penalties for underperformance and the board may require that the company seeks local opt in/out from the CNO, OPSB, and the Sherriff's Office at that time.		Following BC&I renewal review